

## § 1951.959

under the following described situations:

(1) The loan is later restructured with primary loan servicing, (the total unpaid balance must be restructured);

(2) If prior to the first scheduled installment due date after set-aside, the servicing official determines that the current borrower, if delinquent, would qualify for a writedown or buyout in accordance with subpart S of this part; or

(3) When it has been determined that the borrower has been provided unauthorized DSA assistance. (The set-aside will be cancelled after all appeal rights are exhausted. The set-aside will be removed from the account and the payment terms of the original promissory note will be retained as if DSA was never granted. Borrowers financially distressed or delinquent after reversal of the set-aside will be serviced in accordance with subpart S of this part).

(b) [Reserved]

[60 FR 46756, Sept. 8, 1995, as amended at 62 FR 10157, Mar. 5, 1997]

### § 1951.959 Exception authority.

The Administrator may, in individual cases, make an exception to any requirement or provision of this subpart which is not inconsistent with the authorizing statute or other applicable law if it is determined that application of the requirement or provision would adversely affect the Government's interest. The Administrator will exercise this authority upon the request of the State Director with the recommendation of the Deputy Administrator for Farm Credit Programs, or upon request initiated by the Deputy Administrator for Farm Credit Programs.

### §§ 1951.960–1951.1000 [Reserved]

## PART 1955—PROPERTY MANAGEMENT

### Subpart A—Liquidation of Loans Secured by Real Estate and Acquisition of Real and Chattel Property

Sec.

1955.1 Purpose.

1955.2 Policy.

1955.3 Definitions.

1955.4 Redelelegation of authority.

1955.5 General actions.

## 7 CFR Ch. XVIII (1–1–06 Edition)

1955.6–1955.8 [Reserved]

1955.9 Requirements for voluntary conveyance of real property located within a federally recognized Indian reservation owned by a Native American borrower-owner.

1955.10 Voluntary conveyance of real property by the borrower to the Government.

1955.11 Conveyance of property to FmHA or its successor agency under Public Law 103–354 by trustee in bankruptcy.

1955.12 Acquisition of property which served as security for a loan guaranteed by FmHA or its successor agency under Public Law 103–354 or at sale by another lienholder, bankruptcy trustee, or taxing authority.

1955.13 Acquisition of property by exercise of Government redemption rights.

1955.14 [Reserved]

1955.15 Foreclosure by the Government of loans secured by real estate.

1955.16–1955.17 [Reserved]

1955.18 Actions required after acquisition of property.

1955.19 [Reserved]

1955.20 Acquisition of chattel property.

1955.21 Exception authority.

1955.22 State supplements.

1955.23–1955.49 [Reserved]

1955.50 OMB control number.

EXHIBITS A–F TO SUBPART A [RESERVED]

### Subpart B—Management of Property

1955.51 Purpose.

1955.52 Policy.

1955.53 Definitions.

1955.54 Redelelegation of authority.

1955.55 Taking abandoned real or chattel property into custody and related actions.

1955.56 Real property located in Coastal Barrier Resources System (CBRS).

1955.57 Real property containing underground storage tanks.

1955.58–1955.59 [Reserved]

1955.60 Inventory property subject to redemption by the borrower.

1955.61 Eviction of persons occupying inventory real property or dispossession of persons in possession of chattel property.

1955.62 Removal and disposition of nonsecurity personal property from inventory real property.

1955.63 Suitability determination.

1955.64 [Reserved]

1955.65 Management of inventory and/or custodial real property.

1955.66 Lease of real property.

1955.67–1955.71 [Reserved]

1955.72 Utilization of inventory housing by Federal Emergency Management Agency (FEMA) or under a Memorandum of Understanding between the Agency and the

## RHS, RBS, RUS, FSA, USDA

## § 1955.1

Department of Health and Human Services (HHS) for transitional housing for the homeless.

1955.73–1955.80 [Reserved]

1955.81 Exception authority.

1955.82 State supplements.

1955.83–1955.99 [Reserved]

1955.100 OMB control number.

EXHIBIT A TO SUBPART B—MEMORANDUM OF UNDERSTANDING BETWEEN THE FEDERAL EMERGENCY MANAGEMENT AGENCY AND THE FARMERS HOME ADMINISTRATION OR ITS SUCCESSOR AGENCY UNDER PUBLIC LAW 103–354 [NOTE]

EXHIBIT B TO SUBPART B—NOTIFICATION OF TRIBE OF AVAILABILITY OF FARM PROPERTY FOR PURCHASE

EXHIBIT C TO SUBPART B—COOPERATIVE AGREEMENT (EXAMPLE) [NOTE]

EXHIBIT D TO SUBPART B—FACT SHEET—THE FEDERAL INTERAGENCY TASK FORCE ON FOOD AND SHELTER FOR THE HOMELESS [NOTE]

### Subpart C—Disposal of Inventory Property

#### INTRODUCTION

1955.101 Purpose.

1955.102 Policy.

1955.103 Definitions.

1955.104 Authorities and responsibilities.

CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT (CONACT) REAL PROPERTY

1955.105 Real property affected (CONACT).

1955.106 Disposition of farm property.

1955.107 Sale of FSA property (CONACT).

1955.108 Sale of (CONACT) property other than FSA property.

1955.109 Processing and closing (CONACT).

#### RURAL HOUSING (RH) REAL PROPERTY

1955.110 [Reserved]

1955.111 Sale of real estate for RH purposes (housing).

1955.112 Method of sale (housing).

1955.113 Price (housing).

1955.114 Sales steps for program property (housing).

1955.115 Sales steps for nonprogram (NP) property (housing).

1955.116 Requirements for sale of property not meeting decent, safe and sanitary (DSS) standards (housing).

1955.117 Processing credit sales on program terms (housing).

1955.118 Processing cash sales or MFH credit sales on NP terms.

1955.119 Sale of SFH inventory property to a public body or nonprofit organization.

1955.120 Payment of points (housing).

#### CHattel PROPERTY

1955.121 Sale of acquired chattels (chattel).

1955.122 Method of sale (chattel).

1955.123 Sale procedures (chattel).

1955.124 Sale with inventory real estate (chattel).

1955.125–1955.126 [Reserved]

#### USE OF CONTRACTORS TO DISPOSE OF INVENTORY PROPERTY

1955.127 Selection and use of contractors to dispose of inventory property.

1955.128 Appraisers.

1955.129 Business brokers.

1955.130 Real estate brokers.

1955.131 Auctioneers.

#### GENERAL

1955.132 Pilot projects.

1955.133 Nondiscrimination.

1955.134 Loss, damage, or existing defects in inventory real property.

1955.135 Taxes on inventory real property.

1955.136 Environmental Assessment (EA) and Environmental Impact Statement (EIS).

1955.137 Real property located in special areas or having special characteristics.

1955.138 Property subject to redemption rights.

1955.139 Disposition of real property rights and title to real property.

1955.140 Sale in parcels.

1955.141 Transferring title.

1955.142–1955.143 [Reserved]

1955.144 Disposal of NP or surplus property to, through, or acquisition from other agencies.

1955.145 Land acquisition to effect sale.

1955.146 Advertising.

1955.147 Sealed bid sales.

1955.148 Auction sales.

1955.149 Exception authority.

1955.150 State supplements.

EXHIBIT A TO SUBPART C—NOTICE OF FLOOD, MUDSLIDE HAZARD, OR WETLAND AREA

AUTHORITY: 5 U.S.C. 301; 7 U.S.C. 1989; 42 U.S.C. 1480.

SOURCE: 50 FR 23904, June 7, 1985, unless otherwise noted.

### Subpart A—Liquidation of Loans Secured by Real Estate and Acquisition of Real and Chattel Property

#### § 1955.1 Purpose.

This subpart delegates authority and prescribes procedures for the liquidation of loans to individuals and to organizations as identified in § 1955.3. It pertains to the Farm Credit programs of the Farm Service Agency (FSA), Water and Waste programs of the Rural Utilities Service (RUS), Multi-Family

## § 1955.2

## 7 CFR Ch. XVIII (1-1-06 Edition)

Housing (MFH) and Community Facility (CF) programs of the Rural Housing Service (RHS), and direct programs of the Rural Business-Cooperative Service (RBS). Guaranteed RBS loans are liquidated upon direction from the Deputy Administrator, Business Program, RBS. This subpart does not apply to RHS single family housing loans, or to CF loans sold without insurance in the private sector. These CF loans will be serviced in the private sector and future revisions to this subpart no longer apply to such loans. This subpart does not apply to the Rural Rental Housing, Rural Cooperative Housing, or Farm Labor Housing programs of RHS.

[61 FR 59778, Nov. 22, 1996, as amended at 69 FR 69105, Nov. 26, 2004]

### § 1955.2 Policy.

When it has been determined in accordance with applicable loan servicing regulations that further servicing will not achieve loan objectives and that voluntary sale of the property by the borrower (except for Multiple Family Housing (MFH) loans subject to prepayment restrictions) cannot be accomplished, the loan(s) will be liquidated through voluntary conveyance of the property to FmHA or its successor agency under Public Law 103-354 or by foreclosure as outlined in this subpart. For MFH loans subject to the prepayment restrictions, voluntary liquidation may be accomplished only through voluntary conveyance to FmHA or its successor agency under Public Law 103-354 in accordance with applicable portions of § 1955.10 of this subpart. Nonprogram (NP) loans, except for Community and Business Programs, will be liquidated as provided in subpart J of part 1951 of this chapter, unless specifically referenced in this subpart.

[51 FR 4138, Feb. 3, 1986, as amended at 53 FR 27826, July 25, 1988; 58 FR 52652, Oct. 12, 1993]

### § 1955.3 Definitions.

As used in this subpart, the following definitions apply:

*Closing agent.* An attorney or title insurance company which is approved as a loan closing agent in accordance with subpart B of part 1927 of this chapter.

*CONACT or CONACT property.* Property acquired or sold pursuant to the Consolidated Farm and Rural Development Act. Within this subpart, it shall also be construed to cover property which secured loans made pursuant to the Agriculture Credit Act of 1978; the Emergency Agricultural Credit Adjustment Act of 1978; the Emergency Agricultural Credit Act of 1984; the Food Security Act of 1985; and other statutes giving agricultural lending authority to FmHA or its successor agency under Public Law 103-354.

*Farmer Programs loans.* The term “Farmer Program loans” (FP) refers to the following types of loans: Farm Ownership (FO), Soil and Water (SW), Recreation (RL), Economic Opportunity (EO), Operating (OL), Emergency (EM), Economic Emergency (EE), Softwood Timber (ST), and Rural Housing Loans for farm service buildings (RHF).

*Government.* The United States of America acting through the Farmers Home Administration or its successor agency under Public Law 103-354 (FmHA or its successor agency under Public Law 103-354), U.S. Department of Agriculture; used interchangeably herein with “FmHA or its successor agency under Public Law 103-354.”

*Homestead protection.* The Farmer Programs borrower-owner’s right to lease with an option to purchase the principal residence located on or off the farm and up to 10 acres of adjoining land possessed and occupied by the borrower-owner, including a reasonable number of farm outbuildings located on the adjoining land that are useful to the occupants of the homestead.

*Interest credit.* The terms “interest credit” and “interest credit assistance,” as they relate to Single Family Housing (SFH) loans, are interchangeable with the term “payment assistance.” Payment assistance is the generic term for the subsidy provided to eligible SFH borrowers to reduce mortgage payments.

*Loans to individuals.* Farm Ownership (FO), Soil and Water (SW), Recreation (RL), Special Livestock (SL), Economic Opportunity (EO), Operating (OL), Emergency (EM), Economic Emergency (EE), Softwood Timber (ST), and Rural Housing loans for farm